The gap between the production and demand is met through imports. The entire requirement of Potash (K) is imported as the country does not have any known and commercially viable reserves of Potash.

(e) As part of the plan to increase the production of fertilizers during the Eighth Five Year Plan and also to reduce the gap between the demand and indigenous production of fertilizers two ammonia-urea plants; one each at Babrala (Uttar Pradesh) and Shahjahanpur (Uttar Pradesh): are currently under implementation in the private sector. Besides, National Fertilizers Limited (NFL) and India Farmers Fertilizers Cooperative Limited (IFFCO) have taken up projects for doubling of the capacity of their gas based plants at Vijaipur (Madhya Pradesh) and Aonla (Uttar Pradesh), respectively. Revamping of plants of Madras Fertilizers Limited will also increase its fertilizer production capacity. Gas availability has also been indicated in Krishna-Go-davari Basin (Andhra Pradesh) for a medium size ammonia-urea plant.

Privatisation of public sector fertilizer units

1362. SHRI V. RAJESHWAR RAO:

DR. SHRIKANT RAM-CHANDRA JICHKAR:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that the fertilizer producing units in the public sector are proposed to be privatised;

(b) if so, what is the actual plan for their privatisation;

(c) whether there is any opposition to this privatisation plan; and

(d) by which date these units will be privatised?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDU-ARDO FALEIRO): (a) to (d) No decision has been taken by the Government to privatise any of the public sector fertilizer producing units.

Proposal to set up drug unlit in Orissa

1363. SHRI BHAGABAN MAJHI: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state;

(a) whether Government have a proposal to set up a basic drug unit in Orissa;

(b) if so, the site selected for the location of such drug unit; and

(c) the steps taken by IPCL or other concerning ageacy to set up that unit?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDU-ARDO FALEIRO): (a) No, Sir.

(b) and (c) Do not arise.

Variation in the rates of Urea and Phosphate

1364. SHRI BHUPINDER SINGH MANN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) what are the rates of urea and phosphate in the indigenous market and in the International market;

(b) what is the cost of production of the same in India and abroad; and

(C) what are the reasons of vast variation between the rates of the markets?

MINISTER OF STATE IN *R*Y OF CHEMICALS AND FERTILIZERS (SHRI ERDO-FALETRO)*:* (a) The present maximum consumer price of urea, a controlled fertilizer in the indigenous market is Rs. 3320|- per tonne. The indigenous market price of DAP, which is a decontrolled fertilizer, varies from State to State and is in the range of about Rs. 7200/. to Rs. 7400/- per tonne, excluding the special concession of Rs. 1000/_ per tonne and local levies.

The current price of urea imported into India, which is canalised item, is approximately us $155 (C & F) per tonne. Since DAP is a decanalised item, it is no more imported on Government account. However, according to published in_ formation current per tonne international price of DAP ranges from US $ 173 to 185 (FOB US Gulf and North Africa) and US $ 182.183 (FOB Middle East).

(b) The weighted average cost of production of indigenous urea is about Rs. 4900/- per tonne. Since DAP is a decontrolled fertilizer, authentic inormation on cost of production is not available. However, the estimated cost of production of indigenous DAP is in the range of Rs. 8000—8500 per tonne.

(c) Cost of indigenous urea is somewhat less than imported urea at present on farmgate price basis. However, cost of imported DAP is less than that of indigenous DAP due to the following reasons;

(i) The indigenous DAP is pre_ domnantly based on imported raw materials/intermediate and *the* prices of raw mate rials/intermediates and fini shed DAP in the *internation-* nal market do not move in tandem:

(ii)investmint in india is and duties/taxes; and

High cost of working capital

Proposal of new policy in respect of imported and indigenously produced drugs

1365. SHRI ANANT RAM JAISWAL
SHRI RAJNI RANJAN SAHU:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that in the proposed new policy no distinction is sought to be made in the imported and indigenously produced drugs and the coverage under price control would depend upon the turn-over;

(b) whether it is also a fact that such a step would discourage domestic production and would encourage imports, if so, on what consideration such a proposal is being studied;

(c) whether it is also a fact that restriction on MAPE (Maximum Allowable Post-manufacturing Expenses) on the imported formulations is sought to be removed; and

(d) whether it is also a fact that present incentive on the production of a new drug by a company or modifica tion of the process as a result of R&D efforts is also proposed to be removed and henceforth only new bulk drugs not produced elsewhere would be eli gible for R&D incentive, if so, the rea sons therefor?